



FINANCIAL NARRATIVE

In response to Seattle's critical housing shortage, Beyond Boundaries emerges as a transformative 34.2M million sq. ft development valued at \$3.1 billion while creating financial sustainability through a project-leveraged IRR of 19.16%. Beyond Boundaries strategically utilizes urban density to create a mixed-income community with cultural richness and a full range of equitable services. The capital stack includes 60% private debt, 36% private equity, 1% philanthropic contributions, and 3% public subsidies, including leveraging the Seattle MFTE program. Beyond Boundaries commits to delivering a substantial impact by providing 4,073 residential units, comprising 1,185 affordable units ranging from extremely low-income to low-income units and for sale and 300 moderate for-sale condos.

Project Assumptions:

Beyond Boundaries proposes entering a ground lease with King County based upon generating \$213 million of land value at a 4% discount over 99 years. This long-term partnership is expected to optimize public and philanthropic funding to create a more equitable, livable, sustainable, and resilient future for Pioneer Square, especially to help the poor and the infirm. Additionally, a payment of \$221 million will be made to King County for the parcels that hold the proposed condominiums totaling \$435 million. This price will allow the project to generate enough value to offset the cost of building subsidized rental units. Beyond Boundaries proposes simple fees for purchases of three underutilized private parcels at a discounted price of \$17 million during the pre-development phase. These parcels are strategically chosen, considering adjacent locations, projected increasing cap rates, and decreasing sale price/sq during the purchase period.

Preserving the historic King County Courthouse and the Yesler Building contributes to the site's cultural heritage and community identity, leveraging the Federal Historic Tax Credits to offset renovation costs. The remainder of the site will be demolished for \$3,250,000 and transformed into high-rise buildings to maximize affordable housing, community spaces, and economic prosperity.

Beyond Boundaries proposes the formation of neighborhood development committees led by the newly formed Seattle Social Housing Developer, Seattle Office of Planning & Community Development/ Office of Equity & Social Justice, King County Department of Community and Human Services, and the Seattle Housing Authority to facilitate partnerships with public entities, non-profit organizations, small businesses, large corporations, and community members to strategically occupy the space, secure public funding, and guide the design over the ten years.

Financing Strategy

Beyond Boundaries will focus on the strong multi-family market, understanding an urgent demand for 70,000 new housing units by 2035. The high price/sq of condos, especially luxury units, will most effectively offset the high development cost and allow us to meet the urgent needs of subsidized rent, showcasing Beyond Boundaries' commitment to equity. Building 4000+ units will help ensure success within our commercial uses with a significant increase in foot traffic.

Beyond Boundaries will also focus on capturing value from the booming tech and health industries, each projected to create 100,000+ jobs over the next decade. Seattle's position as a tech talent hub with high average annual wages (\$172,009), and the second highest concentration of young single professionals in their 30s makes it a prime investment market for our development.

Phase 1: Cultivating Cultural Access

In this initial phase, the focal point is City Hall Park, accentuating cultural enrichment and accessibility through the proposed Link Rail station. Spanning 1.2 million square feet, the development boasts mixed-income multi-family rental and condominium units. Key components are the transformation of Yesler and King County Courthouse into a new community center and over 40% of rental units as affordable housing, yielding a leveraged Internal Rate of Return (IRR) of 19.12% when considering the subsidies generated by the Federal Historic Tax Credit program, the Amazon National Housing Fund, and Choice Neighborhood Planning grants. Complementing these offerings are condominiums, including moderate and affordable units, above a 40,000-square-foot brewery with an arcade adjacent to a similarly sized grocery store strategically positioned across from the newly activated City Hall.

Phase 2: Neighborhood Integration and Innovation Hub

The second phase is dedicated to establishing connections with the surrounding neighborhood by establishing a tech square. This initiative is designed to create employment opportunities, enhance accessibility to health care, and promote collaboration. Boundaries proposes Seattle University's maintenance of the innovation center, strategically relocating select centers and institutes, including the Center for Change in Transition Services, Center for Community Engagement, Center for Environmental Justice and Sustainability, Indigenous Peoples Institute, and the Innovation and Entrepreneurship Center. This relocation aims to foster research and community engagement, offering new labs and medical offices for nursing and medical students. The development also includes a new 220,500-square-foot student housing complex, featuring a food hall, recreational center, daycare, health clinic, and other amenities. When considering the subsidies generated by the Amazon National Housing Fund and Washington State Department of Ecology, the phase achieved a 19.40% levered IRR.

Phase 3: Addressing Unsheltered Populations

The final phase focuses on **addressing homelessness** by delivering **300 permanent housing units, 130 60% AMI units** and accessible health services. Additionally, a **senior care center with 130 affordable units** and an intensive behavioral treatment center will be established, contributing to the well-being of vulnerable populations in the community. The last phase is also dedicated to connecting to Harborview Hospital through the Beyond Boundaries Bridge. The bridge is built in partnership with Microsoft, creating a walking experience that promotes health. Planning starts during phase 1 to ensure the proposed neighborhood committee has time to organize the use of over seven gap funding sources. This phase achieved a 18.65% levered IRR.